MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2016/2017

BKM2014 – KNOWLEDGE MANAGEMENT

(All Sections/Groups)

21 OCTOBER 2016
3.00 p.m. – 5.00 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 4 pages with 5 questions only.
2. Attempt **ALL** questions in Section A and **THREE** out of **FOUR** questions in Section B. The distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

SECTION A (40 marks)

F. Hoffmann-La Roche & Co. (known as Roche) was founded at a time when industrial revolution was changing the face of Europe. On October 1, 1896, at the age of 28, Fritz Hoffmann-La Roche launched his company as the successor company to Hoffmann, Traub & Co in Basel, Switzerland. He was among the first to recognise that the industrial manufacture of medicines would be a major advance in the fight against disease. Since then, Roche has grown into one of the world's leading healthcare companies.

At Roche, the employees are seen as the key to their success as 'our people make our business. Our people discover, develop and manufacture our products and ensure that they reach the patients who need them'. Therefore, Roche has created a work environment where people can be authentic and truly invested in their work. They encourage big thinking and give their people the support and flexibility they need to make their mark. At Roche, it's more than just a job. It's about being part of an international family dedicated to making a real impact on the world where diversity goes beyond visible differences to include different educational backgrounds, professional knowledge, personality types, thinking styles and life experiences. Roche actively support and encourage an environment where everyone feels free to speak his or her mind to come out with the best ideas and develop truly innovative solutions.

Starting in 2000, Roche sold off its flavours and fragrances, vitamins, and fine chemicals businesses to focus on extending the company's leadership positions in oncology and diagnostics. Parting with those businesses couldn't have been easy. Roche had been a major player in flavours and fragrances since 1963, and the company had pioneered the industrial synthesis of vitamin C back in 1933. In total, the divested businesses represented more than a quarter of Roche's revenue for most of the 1990s.

Continued growth in those businesses would have required substantial investment—which then-CEO Franz Humer and his team believed would be better used to build Roche's position through new medical technology and pharmaceutical innovation. In June 2000, the company spun off its flavours and fragrances interests to the company's shareholders to form Givaudan. In the fall of 2002, Roche announced that it would sell its vitamin and fine chemicals businesses to DSM for more than €2 billion. The idea was to channel the proceeds into expanding its core pharmaceuticals business in Japan.

The increased focus on innovation and biotechnology by Roche since then led to important advances in diagnostic techniques and medicines aimed at molecular targets. As a result, many diseases can be detected earlier and treated more specifically. The full integration with biotech pioneer Genentech in 2009 follows acquisitions of other key players in life science research, gene sequencing and tissue diagnostics. These strengthen Roche's access to innovation and new technologies and drive its commitment to more targeted treatments that, ultimately, make personalised healthcare a reality.

(Adapted from: Mankins, M.C., Harding, D. & Weddigen, R 2008, 'How the Best Divest', *Harvard Business Review*, October, pp. 92-99; Roche 2015, About Roche, Available from: http://www.roche.com/about/history.htm)

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QUESTION 1

(a) (i) Describe the Bukowitz and Williams Knowledge Management Cycle with the aid of a labelled diagram. (17 marks)

(ii) Do you think that the strategic decisions taken by Roche in the early 2000s were appropriate? Comment on the strategic management practices and decisions at Roche by applying the relevant concepts from the Bukowitz and Williams Knowledge Management Cycle. (8 marks)

(b) In addition to the SECI Model, Nonaka and Takeuchi (1995) proposed five enabling conditions for organisational knowledge creation. Briefly discuss how any **TWO (2)** of these enabling conditions for organisational knowledge creation could be applied by the organisation in the case. (6 marks)

(c) When organisations such as Roche undergo changes in terms of their structure and ownership as a result of their divestment, mergers and acquisitions, there will be a need for its employees to embrace cultural changes. Outline any **THREE (3)** common cultural barriers that it may face and suggest possible solutions to overcome these barriers. (9 marks)

(Total: 40 marks)

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SECTION B (60 marks)

QUESTION 2

(a) Compare and contrast tacit and explicit knowledge. (4 marks)

(b) The knowledge manager of a large consulting firm has suggested that they begin to use social media applications such as Facebook as a knowledge sharing platform for its employees. In your opinion, do you think that such an initiative would be beneficial for the organisation? Discuss with any **THREE (3)** reasons. (6 marks)

(c) Lion Bank assesses its platinum credit card applications based on four conditions which are annual income of at least RM150,000.00, number of late credit card payments in the last 12 months, length of credit history and credit limit utilisation.

The criteria used to approve the platinum credit card applications are the following:

- All applicants must have an annual income of at least RM150,000.00, not more than 2 late credit card payments in the last 12 months and at least 5 years of credit history.
- Applicants who meet the annual income of at least RM150,000.00 and not more than 2 late credit card payments in the last 12 months criteria but have not satisfied the at least 5 years of credit history criterion may be approved if their credit limit utilisation is below 50%.
- Those that do not meet the above criteria will be rejected.

Develop a decision table based on the criteria provided. (10 marks)

(Total: 20 marks)

QUESTION 3

(a) Describe the Choo Sense-making KM model and explain the importance of the **THREE (3)** key components or elements of the model. (8 marks)

(b) Briefly list the roles of the Chief Knowledge Officer and KM Executive. Provide **THREE (3)** roles for each. (6 marks)

(c) When an organisation implements its knowledge management strategy, it needs to facilitate some changes to the organizational culture of the organisation. Briefly list and explain any **THREE (3)** elements of organisational culture that the KM team should pay attention to. (6 marks)

(Total: 20 marks)

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QUESTION 4

(a) When cultivating communities of practice (COP), Wenger, McDermott and Snyder (2002) explained that there are several strategies that could be employed to ensure the success of these COPs. Briefly discuss any **TWO (2)** strategies or actions that should be taken into consideration when cultivating COPs. (6 marks)

(b) The Returning Expert Programme facilitates the return of Malaysian professionals from abroad to overcome the shortage of professional and technical experts in the country with the aim of creating a world-class workforce in Malaysia. For Malaysian citizens with postgraduate qualifications (Master's or PhD), four conditions (continuous overseas employment and residence, level of postgraduate qualifications, cumulative working experience abroad and monthly income) are evaluated when processing applications. In order to qualify, the following criteria must be met.

- Has at least 3 years of continuous overseas employment and residence
- Needs to possess a Master's or PhD level qualification
- Applicants with a Master's level qualification need to possess at least 5 years of cumulative working experience abroad
- Applicants with a PhD level qualification need to possess at least 4 years of cumulative working experience abroad
- Minimum monthly income of RM20,000
- Those that do not meet these criteria will be rejected

Develop a decision tree based on these criteria. (14 marks)

(Adapted from: Talent Corporation Malaysia 2016, Returning Expert Programme, Available from: http://www.talentcorp.com.my/our-work/initiatives/returning-expert-programme)

(Total: 20 marks)

QUESTION 5

(a) In the shift towards knowledge-based assets in organisation, there is a growing need for managers to understand the key types of intellectual capital. Briefly explain the **THREE (3)** types of intellectual capital in organisations. (6 marks)

(b) (i) What is benchmarking? (1 mark)

(ii) Explain the **TWO (2)** different types of benchmarking. (4 marks)

(c) Explain the **THREE (3)** major roles involved in the knowledge reuse process. (9 marks)

(Total: 20 marks)

End of Paper